



Ernie Fletcher  
Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Virginia Morgan  
Administrative Manager  
Mike Little Gas Company, Inc.  
P. O. Box 69  
Melvin, KY 41650

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

Gregory Coker  
Commissioner

July 24, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2006-00337  
Mike Little Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 24, 2006.

Executive Director

BOD/jc  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS    )  
ADJUSTMENT FILING OF MIKE        )  
LITTLE GAS COMPANY, INC.         )    CASE NO. 2006-00337

ORDER

On October 22, 2003, in Case No. 2003-00141,<sup>1</sup> the Commission approved rates for Mike Little Gas Company, Inc. ("Mike Little"), and provided for their further adjustment in accordance with Mike Little's gas cost adjustment ("GCA") clause.

On July 3, 2006, Mike Little filed its proposed GCA to be effective August 1, 2006.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mike Little's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Mike Little's expected gas cost ("EGC") is \$9.505 per Mcf, which is a decrease of \$1.2110 per Mcf from the previous EGC of \$10.7160.
3. Mike Little's notice sets out no current quarter refund adjustment ("RA"), and it had no RAs from previous quarters.
4. Mike Little's notice sets out a current quarter actual adjustment ("AA") of (14.2) cents per Mcf. Mike Little incorrectly calculated its line loss adjustment for

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<sup>1</sup> Case No. 2003-00141, Application of Mike Little Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated October 22, 2003.

February and March 2006. Correcting for this produces a current quarter AA of (\$1.7339) per Mcf. Mike Little's total AA is \$1.5248 per Mcf, which is an increase of \$1.0750 per Mcf from the previous total AA.

5. Mike Little's GCA is \$11.0298 per Mcf, which is 13.6 cents per Mcf less than the previous rate of \$11.1658.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Mike Little on and after August 1, 2006.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Mike Little are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after August 1, 2006.
3. Within 20 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24<sup>th</sup> day of July, 2006.

By the Commission

ATTEST:  
  
\_\_\_\_\_  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00337 DATED July 24, 2006.

The following rates and charges are prescribed for the customers in the area served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$5.50	\$11.0298	\$16.5298
Over 1 Mcf	4.3271	11.0298	\$15.3569